

BUSINESS CONDITIONS OF PPF BANKA A.S. FOR PAYMENT CARDS

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1. INTRODUCTORY PROVISIONS

- 1.1 The Business Conditions of PPF banka a.s. for Payment Cards (hereinafter the “Conditions”) set out the basic rules applying to business relations between the Bank and its Clients during the issuance and subsequent use of payment cards.
- 1.2 Unless specified otherwise herein, capitalized terms or phrases used in these Conditions have the meaning specified in the General Business Conditions of PPF banka a.s. (hereinafter the “GBC”). Such defined terms and phrases apply both to the singular and the plural similarly.
- 1.3 These Conditions have been issued under and in accordance with Section 1751 of the Civil Code, the Payments Act, the Banking Act and any associated legal regulations, and in accordance with the conditions of the respective Card Associations.
- 1.4 These Conditions are the “Specific Business Conditions” (hereinafter “SBC”) issued in accordance and conjunction with the GBC. Any relations between the Bank and the Client not provided for under these Conditions shall be governed by the GBC.

2. DEFINITION OF TERMS

- 2.1 **3D Secure** – an international standard used to increase the security of the performance of E-commerce Transactions. When an E-commerce Transaction is performed a single-use authorization code is sent to the Holder, which is then used to confirm and complete the E-commerce Transaction.
- 2.2 **ATM (Automated Teller Machine)** – a self-service electronic device allowing a Card to be used to withdraw cash from a Payment Account or to use other services provided by the Bank via the Card (e.g. to receive balance information for the use of a Card).
- 2.3 **Automatic Card Renewal** – issuance of a new Card for a further period of time after an original Card expires. The newly issued Card is valid for the same length of time and has the same parameters as the original (automatically renewed) Card.
- 2.4 **Contactless Transaction** – a cashless Payment Transaction performed with a Card at a POS which requires no physical contact between the Card and the POS.
- 2.5 **Call Centre** – a Supplier responsible for the operation of a Card Cancellation Hotline outside the Business Hours of Customer Service.
- 2.6 **Cash Advance** – withdrawal of cash using a Card at selected bank or exchange office counters. The Cash Advance service may be provided by means of an Imprinter or a POS.
- 2.7 **CVC2/CVC code (Card Verification Code)** – a three-digit security code pre-printed on or next to the signature panel on the back of a Card.
- 2.8 **Supplier** – a third party that processes or performs a service forming an integral or optional part of the Card, or which contractually carries out activities for the Bank associated with the issuance and usage of Cards.
- 2.9 **AS (Additional Service)** – a service which may be arranged in connection with a Card, or a service which is automatically provided with a Card and which is included in the Fee of the Card.
- 2.10 **Holder** – an Authorized Party, who has been authorized by the Client to handle Funds on Payment Accounts through a Card, who has been issued with a Card and whose name is stated on the respective Card.
- 2.11 **Duplicate Card** – a replacement Card issued as a substitute for an existing Card. A Duplicate Card has the same number, validity period and PIN as the original Card.
- 2.12 **E-commerce Transaction** – a cashless Payment Transaction performed via the internet.
- 2.13 **Electronic Card** – a Card allowing payments at Merchants’ establishment equipped with a POS, for making withdrawals from ATMs, and for making Cash Advance performed exclusively via POS.
- 2.14 **Embossed Card** – a Card allowing payments at Merchants’ establishment equipped with a POS or an Imprinter, as well as withdrawals from ATMs and Cash Advances. The numbers and characters on an Embossed Card (basic identification data) protrude above the surface of the Card, allowing them to be imprinted on a Payment Order document using an Imprinter.
- 2.15 **Main Account** – the Payment Account on which a Card is issued and from which will be debited:
 - Payment Transactions performed using the Card plus associated Fees;
 - Fees for the issuance and maintenance of the Card, Fees for the provision of any AS, and other Fees according to the Bank’s Price List.
- 2.16 **Chargeback** – a procedure defined by Card Associations for reclaiming the value of a Payment Transaction performed with a Card, through which the Bank can demand that a Merchant return either the entire amount of a Payment Transaction or a part of the amount. This procedure is applied in cases where a Client or a Holder files a complaint about a charged Payment Transaction on grounds justifying the return of the charged amount (e.g. if the same amount was charged more than once or if the Payment Transaction was not performed by the Client or Holder).
- 2.17 **Imprinter** – a mechanical reader of embossed characters used for making an imprint of an Embossed Card and the Merchant’s identification tag on a sales receipt when performing a cashless non-electronic payment, or when providing a Cash Advance.

- 2.18 **Card Association** – an association of Card issuers which provide the Bank with a licence to issue and make use of Cards (e.g. VISA, MasterCard).
- 2.19 **Card (debit payment card)** – an electronic Payment Instrument issued on a Client's Payment Account in accordance with the rules of the relevant Card Association.
- 2.20 **Card Limit** – the maximum amount of all Payment Transactions performed with a Card in one calendar week (i.e. from Monday 12.01 a.m. to Sunday 12.00 a.m.). This limit consists of:
- **an ATM Limit**, which is the maximum amount for cash withdrawals from ATMs,
 - **a POS Limit**, which is the maximum amount for cashless Payment Transactions performed at Merchants' establishment (at POS terminals, using Imprinters and via E-commerce Transactions) and in the form of Cash Advances, and
 - **a Total Weekly Limit**, which is the maximum aggregate amount for all Payment Transactions performed with a Card.
- Each of these Card Limits can be set as a different amount. However, the Total Weekly Limit must be at least equal to the ATM Limit or the POS Limit, whichever is the higher, or must be the sum of the ATM Limit and the POS Limit.
- 2.21 **Card Cancellation Hotline** – a telephone line used for reporting the loss, theft or misuse of a Card. This telephone line can be found on the Bank's Website.
- 2.22 **MO/TO (Mail Order/Telephone Order) Transactions** – cashless Payment Transactions performed without the physical presence of a Card and/or a Holder (e.g. Payment Transactions performed by mail in written form or by phone).
- 2.23 **Merchant** – a point of sale which offers merchandise or provides services and which accepts Cards as a Payment Instrument for merchandise purchased or services provided.
- 2.24 **PIN (Personal Identification Number)** – an automatically generated, personalized security code. This secret personal security number is disclosed only to the Holder, and is used to authorize Payment Transactions performed with a Card.
- 2.25 **POS (Point of Sale terminal)** – an electronic device which reads data from a magnetic stripe or chip on a Card, and which verifies the Card's validity and the sufficiency of Funds on Payment Accounts to cover a Payment Transaction. A POS stores data about a Payment Transaction in electronic form and electronically transmits this data for the charging and settlement of the payment (online, semi-online).
- 2.26 **Signature Panel** – a panel on the back of a Card used for recording the Holder's signature.
- 2.27 **Early Card Renewal** – issuance of a new Card for a further period of time before an original Card expires. The newly issued Card is valid for the same length of time and has the same parameters as the original Card (which is being renewed early).
- 2.28 **Associated Account** – a second Payment Account which may be associated with a Card along with the Main Account. Only Payment Transactions performed with the Card will be debited from the Associated Account, along with any Fees connected with such Payment Transactions.
- 2.29 **Agreement** – an Agreement on a Payment Card concluded by and between a Client and the Bank.
- 2.30 **SMS Notification** – notification of successful and failed Payment Transactions executed using a Card, sent to the Holder's mobile number.
- 2.31 **Customer Service** – a telephone line or email address used for communication between Client or Holder and the Bank. Customer Service is available on Business Days from 8.00 a.m. to 5.00 p.m.
- 2.32 **Settlement Currency** – the currency in which Payment Transactions performed with a Card are settled by the Bank. The possible Settlement Currencies are CZK, EUR, GBP and USD.
- ### 3. GENERAL PROVISIONS
- 3.1 The Bank issues Cards based on the current range on offer for Payment Accounts according to the rules of the relevant Card Association. Cards are issued under Agreements or on the basis of the Client's request and its acceptance by the Bank.
- Under the Agreement, the Client can request the issue of more than one Card.
- Cards may only be issued on Payment Accounts held by the Bank in CZK, EUR, GBP and USD. Where a Card is issued on two Payment Accounts, the same Client must be the owner of both Payment Accounts, with one of the Payment Accounts serving as the Main Account and the other as the Associated Account.
- 3.2 Cards are issued exclusively in the name of a specific Holder and are non-transferable. Cards are the property of the Bank, and Holders receive only the right to use them.
- 3.3 A Card bears a specific number, the Holder's name, and its expiration date and includes the security elements prescribed by the relevant Card Association. Card issued on the Payment Accounts of legal entities may in addition bear the Client's company name or business name. The Bank may change the way in which data is displayed on a Card so as to comply with the standards of the relevant Card Association and the terms and conditions for the given card product.
- 3.4 Client and Holder may not change, modify or copy a Card.

- 3.5 Client and Holder may communicate with the Bank in regard to Card via the Bank's Places of Business, its Customer Service for Cards, or Internetbanking, or the Card Cancellation Hotline when reporting the loss, theft or misuse of a Card.
- 3.6 The Bank publishes information about the current range of Cards on offer, the possible combinations of currencies for Payment Accounts associated with one Card, the terms and conditions for service provision for individual types of Cards and any associated AS and bonus schemes at its Places of Business.
- 3.7 If a particular type of Card is being discontinued, the range of functions of a Card is being extended, or a switch is being made to another type of Card, the Bank may issue a Holder with a different type of Card. In such situations, the Bank will proceed as in the case of Automatic Card Renewal.
- 3.8 Client and Holder agree that the Bank may:
- inform other banks in the Czech Republic of any serious breach of the GBC and/or these Conditions on the part of the Client and/or a Holder, where the Bank shall decide what constitutes such a serious breach;
 - provide a Card Association with information relating to any Cards issued (such as Card numbers and Card validity).
- 3.9 The Bank will debit from the Payment Account on which a Card is issued all Payment Transactions performed with the Card and all Fees for Card maintenance, any AS associated with the Card and other operations in the amounts stated in the Bank's Price List valid on the date of debiting of such Fees. The Bank will debit the CA regardless of whether the respective amounts of the Payment Transaction or the Fee are covered by available Funds on the Payment Account.

4. ISSUANCE OF CARDS

- 4.1 One Card may be issued either on a single Payment Account or on two Payment Accounts. Where a Card is issued on a single Payment Account, this Payment Account shall be the Main Account. Where a Card is issued on two Payment Accounts, the Client shall specify which will be the Main Account and which the Associated Account.
- 4.2 When a new Card is issued, the Bank notifies the Holder when it is ready for collection, or sends it to the Holder by ordinary mail.
- 4.3 A Card remains valid until the expiration date printed on it, i.e. until the last day of the month stated. The Holder may use the Card until this date unless the Card is cancelled at an earlier date.
- 4.4 The Bank will issue a Holder with a new Card with automatically renewed validity on or before the original Card's expiration date, unless the Bank decides not to extend the Card's validity. The Holder may either collect this automatically renewed Card at the Bank's Place of

Business on or before the expiration date of the original Card, or the Bank will send the Card to the Holder by ordinary mail. If a Client or a Holder wishes to refuse the automatic issuance of a new Card and the provision of any associated AS, he/she must notify the Bank of this fact in writing at the latest ten Business Days before the beginning of the month in which the validity of the original Card expires.

- 4.5 A Client or Holder may request the issuance of a Duplicate Card if a Card is damaged, destroyed or not functioning, or if there is a change in the Holder's name. A Holder can no longer use the original Card after applying to the Bank for the issuance of a Duplicate Card.
- 4.6 If necessary, a Client or Holder may also make a request for Early Card Renewal before an existing Card expires.
- 4.7 A Card will not be issued to a Holder if any Payment Account on which the Card is to be issued shows an unauthorised debit balance, or if the Client is in insolvency proceedings, or if the Client is subject to distraint by the garnishment of funds on the respective Payment Account in an amount exceeding the Available Balance on the Payment Account.

5. PIN

- 5.1 The envelope containing a Card's PIN is either delivered by the Bank along with a new Card exclusively to the Holder in person, or is sent to the Holder separately from the Card by restricted delivery registered mail. The Holder provides the Bank with written confirmation of receipt of the envelope with the PIN when taking delivery of the Card in person or with confirmation of receipt over the telephone upon activating the Card. The Holder has the right to reject a Card and not to accept delivery of the envelope with the PIN if the envelope with the PIN is damaged upon delivery.
- 5.2 A PIN is not usually issued for automatically renewed Cards.
- 5.3 PIN is not disclosed to any person other than the Holder, and the Holder must prevent his/her PIN from being disclosed to any third party. PIN must not be written in any easily identifiable form on a Card or on any other object which the Holder keeps or carries together with the Card, and/or PIN may not be disclosed to any other persons, including family members. Holder must also store PIN separately from Card and take care to prevent its disclosure when entering it on the keypad of ATM or at POS terminals when verifying Card validity, e.g. by concealing the keypad with its other hand etc. The Bank is not liable for any loss or damage incurred due to the disclosure of a PIN or if another person is informed of a PIN.
- 5.4 If a Holder forgets a PIN, the original valid PIN can be re-issued following the submission of a request by the Holder at the Bank. For the delivery of the PIN, Article 5.1 hereof is used analogously.
- 5.5 A Holder may change a PIN at ATMs of other Providers which also offer this service at their ATMs for Cards

issued by other banks at any time during the Card's period of validity, with the following exceptions. A Holder may not change a PIN:

- if the Card will expire in 6 weeks or less, or
- in the period between applying for a replacement Card (Early Card Renewal or the issuance of a Duplicate Card) and the delivery of the new Card to the Holder, in which case the PIN may be changed only after the new Card has been delivered.

A new PIN becomes active immediately after a change is made.

5.6 Should an incorrect PIN be entered more than three times during a Payment Transaction performed with a Card, the Card's functionality is automatically restricted temporarily for security reasons (suspected misuse of the Card). The full functionality of the Card will subsequently be automatically restored, in most cases on the first day that the Holder becomes entitled to draw on a new Card Limit. However, in order for a PIN to be unblocked when the Card Limit is renewed the Card must be used with a direct (online) connection to the Bank's systems (i.e. it will not be possible to perform offline Payment Transactions).

6. RECEIPT OF CARD

6.1 If a Holder takes receipt of a Card at the Bank in person, he/she must sign the Card's Signature Panel before an employee of the Bank and provide the Bank with written confirmation of receipt of the Card and the PIN.

6.2 If a Card and PIN are sent to a Holder by mail, the Holder must check that the envelopes containing the Card and the PIN have not been opened. If an envelope shows signs of damage, the Holder must immediately notify the Bank of this fact. If a Card or PIN is not delivered within 30 days of signing the Agreement or of the Bank's acceptance of the request for Card issue or (in the case of Card renewal) of the expiration date stated on a Card, the Holder must immediately notify the Bank of this fact. If the envelope containing a Card or PIN is damaged or is not delivered, the Bank will arrange for a new Card and PIN to be issued and will send them to the Holder. The Holder is obliged to sign the Signature Panel of the Card before it is first used.

6.3 After taking receipt of a Card, the Holder becomes entitled to use the Card until its expiration, unless the Card is cancelled at an earlier date.

6.4 After taking receipt of a renewed Card, the Holder must no longer use the original Card. If the Holder does not return the original Card to the Bank when receiving a new Card, he/she must destroy the original Card by cutting through the magnetic stripe and chip to prevent any possible misuse.

6.5 If a Holder does not take receipt of a new Card within 60 calendar days of being notified to collect it in person or (in the case of automatic issuance) of the expiration date of the original Card, or if the envelope with a new or automatically issued Card or a PIN is returned to the Bank

as undeliverable, the Bank will destroy the Card and/or the envelope with the PIN.

6.6 Fee is made for Card maintenance and any associated AS regardless of whether or not a Holder takes receipt of a new or Automatically Renewed Card, until the end of the period for taking receipt of a new or Automatically Renewed Card according to Article 6.5, or until the undelivered envelope with the new or Automatically Renewed Card is returned to the Bank.

6.7 Holders are obliged to:

- keep the Card in a secure place separately from other bank documents, i.e. in a place which is not freely accessible to third parties and which is secured against unauthorised access by third parties;
- carry the Card separately from other personal documents;
- use the Card themselves only and refrain from lending the Card to another person for use;
- check that the Card is in her/his possession on a daily basis, and take personal security measures to prevent the misuse, loss or theft of the Card;
- check that the Card is in her/his possession after each use;
- protect the Card from being mechanically damaged, damaged by heat, or exposed to any other effects (e.g. magnetic fields) which could damage the data recorded on the Card's magnetic stripe or chip.

6.8 Any breach of the obligations specified in Article 5.3, the first and second indents of Article 6.7, Article 7.7 and Article 7.8 caused by a Holder (regardless of whether such breach occurred due to fraud) wilfully or negligently, will be deemed a gross breach of these Conditions, and the Client will be fully liable for any and all losses resulting from any Payment Transactions not authorized by the Holder and/or the loss, theft, or misuse of a Card until such time as these facts are reported to the Bank.

7. CARD USAGE

7.1 Depending on its type, a Card can be used for Payment Transactions performed via the ATM network, at POS terminals, using Imprinters, for Cash Advances, for cashless payments at Merchants' establishments, for E-commerce Transactions or for MO/TO Transactions.

7.2 A Card can be used wherever the logo of the relevant Card Association or payment system is displayed.

7.3 The Bank may place limitations on certain types of Payment Transactions (primarily Contactless Transactions, E-commerce Transactions and MO/TO Transactions), including limitations which depend on the particular type of Card.

7.4 Contactless Transactions can be performed only at the ATMs and POS terminals which permit this type of transaction and which allow online authorization of the

Contactless Transactions performed. Before performing the first Contactless Transaction, at least one Payment Transaction associated with the insertion of Card in POS or ATM and using PIN must be made.

7.5 If a Client wishes to allow the performance of E-commerce Transactions using a Card, the Holder must provide the Bank with a mobile phone number or an e-mail address ("**contact details**"). Without the Holder providing one of the contact details, the Bank will not allow a Card to be used to perform E-commerce Transactions.

If E-commerce Transactions are already allowed on Cards issued before November 1, 2014, but the Holder does not subsequently provide contact details when requested by the Bank, the Bank does not guarantee that it will be possible to perform E-commerce Transactions.

The contact details provided are valid for all the Cards issued to a Holder, regardless of whether these have been issued for the Accounts of a single Client or for the Accounts of different Clients. It is not possible to register different contact details for each individual Card of a Holder. If new contact details are provided, these will be changed for all the Cards currently issued to the Holder.

7.6 If an E-commerce Transaction is 3D Secure authorized the information on the website is stored on the hard disk of the computer from which the E-commerce Transaction is executed, in the form of small text files referred to as cookies. Detailed information about cookies is contained in the Guide for Using Payment Cards of PPF banka a.s. for Payments on the website.

7.7 A Holder may not provide information relating to a Card via unsecured communication channels, except when reporting the misuse, loss or theft of a Card to the Bank. If a Holder has any suspicions or concerns regarding the misuse of a Card, a POS or an ATM (e.g. if cash is provided in an unusual way, if banknotes jam in the machine or a skimming – scanning device has been installed at an ATM etc.), or if suspicious persons are loitering near an ATM, attempting to interfere with a Payment Transaction being performed etc., the Holder must inform the Bank of these facts immediately.

7.8 Cards may not be used for Payment Transactions which would violate applicable laws in the Czech Republic or at the location where the Payment Transaction is being performed.

7.9 The Bank, Client and/or Holder have agreed that the performance of a Payment Transaction may be approved, i.e. authorized, by a Holder (as the Payer) only in the following ways:

- by inserting a Card in a reader and entering a PIN in the case of a Payment Transaction via an ATM or POS;
- by entering a PIN or by the Holder providing a handwritten signature matching the signature on the Card, or, depending on the type of Card, by a combination of both methods in the case of Cash

Advances and cashless Payment Transactions at Merchants' establishments;

- by providing the Card's number, expiration date and CVC2/CVC code in the case of MO/TO Transactions;
- by providing the Card's number, expiration date and CVC2/CVC code along with the authorization code received in the case of E-commerce Transactions;
- by holding the Card up to the ATM or POS reader in the case of Contactless Transactions; if the amount of a Contactless Transaction exceeds ATM's or the Merchant's limit for a single Contactless Transaction or the set number of Contactless Transactions a PIN will also need to be entered to perform it.

All Card operations requiring a PIN or authorization code to be entered must be performed by the Holder alone, i.e. without the assistance of third parties.

7.10 Holder may request the revocation of a Payment Transaction which they have already authorized only immediately after performing it at the Merchant's establishment. A Payment Transaction that has already been charged may not be revoked. In justified cases (e.g. if a service is not provided or merchandise is not delivered) the Holder may file a complaint at the Bank.

7.11 If information is requested regarding the Available Balance on a Payment Account on which a Card has been issued, the Available Balance is displayed as follows:

- If the Card has been issued on one Payment Account only, the current Available Balance on this Payment Account will be displayed.
- If the Card has been issued on two Payment Accounts, the current Available Balance on the Payment Account with the highest Available Balance at the time of the request will be displayed.

Available Balance information is only approximate, and may not always provide up-to-date information on the balance of Funds on a Payment Account.

7.12 When a Card is used at a Merchant's establishment, the Merchant may verify the Payment Transaction and perform it only if approval is received from the Bank or from a third party authorized by the Bank. In order to protect the Holder, a Merchant may request the Holder to show proof of his/her identity. A Merchant also has the right to seize a Card based on the results of verification.

7.13 The Bank is not liable in the event that a Merchant or a branch of another bank refuses a Payment Transaction, sets a minimum limit for Payment Transactions using a Card, will not provide a specific service or does not accept a Card for the performance of a Payment Transaction, or for any loss or damage incurred by a Holder, either directly or indirectly, due to circumstances beyond the control of the Bank or its partners (e.g. disruption of the power supply, breakdowns of machinery and equipment

of data processing systems, transmission lines, strikes etc.).

7.14 An ATM may refuse to pay out a large amount of cash in a single Payment transaction. This decision depends on the technological parameters of the particular type of ATM and on how the conditions for cash withdrawals have been set up by the operator of the ATM. The Bank cannot influence these settings.

7.15 Payment Transaction validation against the current Available Balance on the Payment Account (hereinafter “**authorization**”) takes place according to the following rules:

- The original amount of the Payment Transaction is always converted into CZK using the Supplier's current exchange rate. The Bank receives the Payment Transaction for authorization in CZK at all times.
- The Bank then converts the reported amount of the Payment Transaction in CZK into the currency of the Payment Accounts associated with the Card at the Bank's rate, i.e. non-cash foreign exchange, median, applicable at the moment of the authorization (hereinafter “**the authorized amount**”).
- Thus, if the original amount is in a currency other than CZK and the Payment Accounts are also in a currency other than CZK (even if in the same foreign currency), the authorized amount of the Payment Transaction is usually increased by the conversion through CZK (processing of a Payment Transaction and conversion of currencies related thereto are governed by Clause 9.).
- The authorized amount of the Payment Transaction is first authorized against a Payment Account held in the currency of performed Payment Transaction, regardless of whether this is the Main Account or the Associated Account. If the Available Balance on a Payment Account in the currency of a Payment Transaction is insufficient to cover the entire authorized amount of the Payment Transaction, authorization of the Payment Transaction is carried out against potential other Payment Account associated with the Card.
- If a Card does not have an associated Payment Account in the original currency of the Payment Transaction, authorization is first carried out against the Main Account. If the Available Balance on the Main Account is insufficient to cover the entire authorized amount of the Payment Transaction, authorization of the Payment Transaction is carried out against the Associated Account.
- If the Available Balance on one of the Payment Accounts associated with a Card is sufficient to cover the entire authorized amount of a Payment Transaction, the Payment Transaction is authorized from this Payment Account, and if the Payment Transaction is performed online, blocking of the

authorized amount will also be carried out on this Payment Account. The Payment Transaction will likewise be charged to this Payment Account, regardless of whether or not the Client subsequently deposits Funds onto another Payment Account held in the currency of the Payment Transaction or, as the case may be, onto the Main Account.

If, however, a Payment Transaction is performed offline, its amount is not blocked on the respective Payment Account even if authorization is successful.

- If no Payment Account associated with a Card has an Available Balance sufficient to cover the entire authorized amount of a Payment Transaction, the Payment Transaction is refused.
- If the Funds on a Payment Account on which a Payment Transaction was blocked are insufficient at the time of charging a Payment Transaction, this Payment Transaction will still be charged from this Payment Account even if this results in an unauthorized debit balance, including any Fees for the Payment Transaction,.

The charged amount of a Payment Transaction may differ from the authorized amount – during the charging and settlement process the amount of a Payment Transaction is always re-converted using the Bank's current exchange rates (see Articles 9.3 and 9.4).

7.16 If a Client or a Holder has set up notifications of Card Payment Transaction in Internetbanking, the Payment Transaction amount stated in the notification is calculated in accordance with Article 7.15, and may differ from the amount of the Payment Transaction subsequently charged. The amount stated relates to the Funds blocked on a Payment Account based on a Payment Transaction which has just been performed. The actual charging and settlement of the Payment Transaction is carried out according to the provisions of these Conditions.

No notification is sent if a Payment Transaction is performed offline.

7.17 Holder may perform Payment Transactions with a Card only up to the set Card Limit, and at the very most in the amount of the Available Balance on a Payment Account. However, if a Payment Transaction is performed offline or under non-standard Payment Transaction authorization conditions (e.g. if there is a failure in the connection between the Bank's central Card information system and the Card authorization system), for technical reasons the Available Balance on a Payment Account may be overdrawn and/or the set Card Limit may be exceeded (the amount of the Payment Transaction is not blocked on the Payment Account in this case). The Bank bears no liability for any such overdraft or exceeding of a Card Limit.

7.18 If the Client arranges the SMS Notification service for a Holder such notifications will be sent to the mobile number provided by the Holder for the purpose of sending the authorization code for authorizing E-commerce

Transactions through 3D Secure in line with Article 7.5, and specifically no earlier than from the Business Day on which the Holder provided the Bank with such mobile number.

7.19 There is a time lag before Payment Transactions are charged and settled (see Article 9.2).

If the Bank does not receive a Payment Transaction for charging and settlement within 10 calendar days of its performance, it will cancel the blocking of Funds carried out during the authorization process (see Article 7.15.). The Bank will charge and settle a Payment Transaction even if it receives it for charging and settlement after this time limit has expired and after cancelling the blocking of Funds.

The same also applies if a Payment Transaction is performed offline or under non-standard Payment Transaction authorization conditions (see Article 7.17) where an amount is not blocked on a Payment Account.

The Client is liable for all Payment Transactions performed with Cards issued on his/her Payment Accounts, and is obliged to pay off any unauthorized debit balance on the Payment Account and/or to compensate the Bank for any loss or damage incurred due to the use of Cards, regardless of the amount of any Card Limit.

7.20 If an unauthorized debit balance on a Payment Account is not paid off within ten calendar days, the Bank may, at the Client's expense, limit the validity of the Cards issued on all of the Client's Payment Accounts.

7.21 If a Card is retained by an ATM, the Holder must immediately contact the Bank and the Bank will limit the Card validity. The Holder may request the relevant bank or ATM service company to return the Card; however neither of these is obliged to return a retained Card to the Holder.

7.22 In the event of any problems with Card functionality, the performance of Payment Transactions, or any other Card-related problems, Client or Holder may contact the Customer Service for Cards.

8. CHANGES IN DATA

8.1 Client must notify the Bank of any changes in the data relating to Cards issued on her/his Payment Accounts which she/he provided to the Bank in connection with the issuance of such Cards. This obligation also applies to Holders. Client is liable for any loss or damage incurred due to the breach of this obligation.

8.2 Both Client and Holder may submit requests for changes to be made in regard to an issued Card; however, only Client may request changes to Card Limit, changes to Payment Accounts associated with a Card or set up and cancel an AS. If a Holder changes his/her name, a new Card will always be issued with the same validity and bearing the Holder's new name.

8.3 Changes shall become effective on the following Business Day after notification thereof, or after the delivery of the request for the change, with the exception of changes of

Payment Accounts associated with a Card and changes of Card Limits.

8.4 Changes of Payment Accounts associated with a Card and changes of Card Limits will, following the entry thereof into the Bank's systems, be operable when sending a request for the Available Balance, when making Payment Transactions and in the case of fee settlement (see Articles 7.11 and 7.15) as follows:

- in the case of online authorization, the change will be operable immediately: when sending a request for Available Balance and when making a Payment Transaction, the current balances on Payment Accounts and the currently set Card Limits are reflected;
- in the case of offline authorization the change will not be operable immediately: a request for Available Balance and a Payment Transaction are authorized against the original data. The changes will only be reflected on the following Business Day;
- Payment Transactions on a Card will be charged to the Payment Account on which the amount of the Payment Transaction was blocked upon authorization regardless of whether or not the Card is issued on such Payment Account at the moment of charging the Payment Transaction;
- the fees for Card maintenance and AS and for the other services provided (such as a PIN change, a query about the balance, and the sending of SMS on Payment Transactions executed on the Card) are charged:
 - on the last Business Day in the month with the value date on the first day of the following months, or as at the date of Card termination;
 - to the Main Account on the Card on the day of settlement at all times.

9. PROCESSING OF PAYMENT TRANSACTIONS, STATEMENTS AND COMPLAINTS

9.1 Client is informed of the Payment Transactions performed with a Card in account statements for the Payment Account to which the Payment Transactions were charged. Payment Transactions are charged individually, along with reference information showing that the Payment Transaction was performed with a Card, and stating:

- the Card number in modified form,
- the date on which the Payment Transaction was performed,
- the authorization code of the Payment Transaction,
- a description,
- the name of the accepting device,

- the amount in the original currency including the currency code,
- the amount in the Payment Account currency,
- the amount in the Settlement Currency including the currency code,
- the exchange rate used for conversion from the Settlement Currency to the Payment Account currency, and
- the location and country where the Payment Transaction was performed.

The Fee for any withdrawal of cash from an ATM is posted as a separate Payment Transaction, stating the date of the Payment Transaction, the authorization code of the Payment Transaction for which the Fee was charged, a description and the amount of the Fee in the Payment Account currency, and the amount charged in CZK if the Payment Account is held in a foreign currency.

9.2 In line with the rules of Card Associations, Payment Transactions performed with a Card are charged and settled with a time lag from the date of their performance. All Payment Transactions are charged and settled by the Bank (i.e. debited from the Client's Payment Account) at the latest on the Business Day following the day that the Bank receives a settlement report on the performance of such transactions. If a settlement report is received outside the Bank's Business Hours, it will be deemed to have been received at the beginning of the next following Business Day of the Bank.

The Bank settles the Payment Transaction in the amount in which it has received it from the Card Association for settlement at all times.

9.3 During the processing of a Payment Transaction performed with a Card in a currency other than the Settlement Currency, the amount of the Payment Transaction is first converted to EUR using the current exchange rate of the Card Association and the Bank receives a report from the Card Association which already states the amount of the Payment Transaction in EUR for processing (hereinafter the "**Reported Amount**"). The Bank then charges the Reported Amount to the Payment Account on which the amount of the Payment Transaction was authorized and/or blocked (see Article 7.15). If the currency of this Payment Account is other than EUR, the Bank converts the Reported Amount to the Payment Account currency using the current exchange rate according to the rules specified in the GBC.

9.4 If a Payment Transaction is performed with a Card in a Settlement Currency which differs from the currency of the Payment Account on which the respective amount was blocked during authorization (see Article 7.15), the Bank converts the amount of the Payment Transaction to the currency of this Payment Account using the current exchange rate according to the rules set out in the GBC.

9.5 Fees for Payment Transactions performed with a Card are debited from the Payment Account to which the respective Payment Transaction was charged.

9.6 Complaints regarding Payment Transactions performed with a Card may be filed by both Client and Holder, primarily using the Bank's designated form. If a complaint is filed by email or phone, the Bank has the right to verify the identity of the Client or Holder.

9.7 Complaints regarding Payment Transactions performed with a Card are handled according to the Bank's Complaint Rules, unless these Conditions or the regulations of the relevant Card Association regarding complaints state otherwise.

9.8 During a complaint procedure, the Bank may request a Holder or Client to provide written notification of any unauthorized Payment Transaction, if this is necessary for the handling and settlement of the complaint.

9.9 The Bank's liability for unauthorized and/or incorrectly performed Payment Transactions is governed by the relevant provisions of the GBC.

9.10 Client or Holder is required to submit all the documentation she/he possesses relating to a disputed Payment Transaction (in particular copies of receipts, proof of the cancellation of the relevant Payment Transaction, and where appropriate also copies of Payment Account statements on which the disputed Payment Transaction is indicated). The Bank may request a Holder or Client to submit additional information or documents relating to a disputed Payment Transaction. If this information or documents are not duly delivered to the Bank by the given deadline, the Bank has the right to discontinue the complaint proceedings or to reject the complaint.

9.11 In cases involving the charging of a Payment Transaction performed with a Card abroad it is not possible to reclaim any amounts based on the different exchange rates on the date of the performance of the Payment Transaction and on the date of its charging and settlement. When a Payment Transaction is performed with a Card abroad, exchange rate differences may also arise due to the conversion of the Payment Transaction to the Settlement Currency and subsequently to the Payment Account currency. If in addition to an earlier debit Payment Transaction a credit Payment Transaction is also performed, this is performed by a different banking institution from the Bank. The Bank bears no liability for any difference in the converted amounts due to the use of different rates of exchange for the conversion of the debit and credit Payment Transactions to the Payment Account currency.

9.12 The Bank will inform Client or Holder in writing of the outcome of a complaint procedure without undue delay after its completion, or of the result of a Chargeback within the periods for handling complaints set by the relevant Card Association, and at the latest within 90 days of receiving a complaint. If it is not possible to settle a complaint within this period due to the complexity of the

particular case, the Bank will inform the Client or Holder of the status of the complaint procedure within this period.

9.13 The delayed processing of a Card Payment Transaction is not grounds for complaint (see Articles 7.19 and 9.2).

10. LOSS/THEFT/MISUSE OF CARD

10.1 Client, Holder and any relevant third party (hereinafter the "Reporting Party") are obliged to report any loss, theft or misuse of a Card to the Bank without undue delay after they discover or could have discovered this fact. In cases where the misuse of a Card is reported, the Holder must immediately hand over the Card to the Bank. The Reporting Party is to use the Card Cancellation Hotline to make a report.

10.2 The Reporting Party must inform the Bank of all the facts and circumstances involved in the loss or theft of the Card, and if the Reporting Party does not know the Card number, he/she must provide other information allowing the Holder and the Card to be identified (e.g. the Payment Account number, the Holder's birth identification number etc.).

10.3 The Call Centre will give the Reporting Party an identification code as confirmation of the fact that the loss or theft of the Card has been reported by phone.

10.4 Client and Holder agree that their phone calls with the Bank or a Supplier at Customer Service or via the Card Cancellation Hotline will be recorded by the Bank or the Supplier, stored and used as evidence in the event of any dispute.

10.5 Client and Holder agree to cooperate effectively with the Bank during the performance of corrective measures proposed by the Bank. If there is a delay in making a report, the Client or Holder may forfeit the right to compensation for loss or damage, or the entitlements arising in the case of unauthorized or incorrectly performed Payment Transaction which are specified in the GBC.

10.6 For security reasons, any Card reported lost, stolen or misused is cancelled. The Bank bears no liability for any loss or damage incurred by a Client or Holder due to the cancellation of a Card.

10.7 A Card reported lost or stolen may not be used if the Holder or Client regains possession of it.

10.8 The Bank may, in its sole discretion, cancel a Card for only the following reasons:

- Card security, in particular when it suspects any unauthorized or fraudulent use of the Card (if the Bank receives information from the respective Card Association, from another bank or from some other reliable source that Card security may be at risk),
- any significant increase in the risk that the Client will not be able to repay a loan than can be drawn through the Card,
- in the cases specified by applicable legislation.

Once the reasons for blocking the Card cease to exist, the Bank shall unblock the Card. The foregoing is without prejudice to the Bank's right to refuse to issue a new Card on the grounds specified herein.

10.9 The Bank will inform the Holder of the cancellation of a Card and of the relevant reasons prior to cancelling the Card in the Bank's sole discretion, or, in cases where this is not possible, immediately afterwards. This obligation will not apply if the provision of such information might frustrate the purpose of cancelling the Card, or would be in conflict with applicable legislation.

10.10 The Client can make a written request for the issuance of a new Card with the same parameters as the original Card within ten Business Days after the loss, theft or misuse of a Card is reported to the Bank or cancelled in the Bank's sole discretion. Following the above time limit, a Card may only be issued using the procedure under Article 3.1.

11. CARD CANCELLATION

11.1 A cancelled Card cannot be renewed.

11.2 Holder or Client may request the Bank to cancel a Card. Client may request the cancellation of all Cards issued on his/her Payment Accounts, Holder, however, may only request the cancellation of Card which she/he is authorized to use.

11.3 If an attempt is made to use a cancelled Card, the Card may be seized by a Merchant or retained by an ATM.

11.4 The Bank bears no liability for any loss or damage incurred by a Client and/or a Holder due to the cancellation of a Card.

11.5 The Bank shall cancel a Card on the basis of the Client's or Holder's request under Article 11.2 no later than as of 12 noon on the Business Day following the day of the submission of the respective Card cancellation request, provided that this request was delivered to the Bank by 4.00 p.m. on a Business Day. If a Card cancellation request was delivered after 4.00 p.m. on a Business Day, the Bank shall cancel the Card no later than as of 12 noon on the second Business Day following the day on which it received the Card cancellation request.

12. EMERGENCY ASSISTANCE ABROAD

12.1 In cases where a Card is cancelled due to loss, theft or misuse or in the Bank's sole discretion (i.e. according to Chapter 10) while the Holder is abroad, thus placing the Holder in an emergency situation, the Holder may request an emergency cash payment to cover any necessary expenditures. Holder is to make requests for emergency cash payment by phone to the Bank. The Bank will decide on the provision of any emergency cash payment on an individual basis after assessing the circumstances of the case, the Holder's present location, the feasibility of delivering emergency cash to the Holder's location in a secure manner, and the Holder's ability to clearly prove his/her identity when taking receipt of the emergency cash payment.

12.2 If the Bank decides to provide an emergency cash payment, its maximum amount will be limited to the current Available Balance on the Payment Accounts on which the Card was issued, after deducting the Bank's costs for the provision of the emergency cash. The largest possible emergency cash payment is CZK 50,000 or the equivalent in another currency.

12.3 Emergency cash payments are governed by the Business Conditions of Europ Assistance s.r.o. covering the provision of personal cash delivery services in cases of emergency.

12.4 Client and Holder hereby agree that her/his personal data may be provided to Europ Assistance s.r.o. to the extent necessary to ensure the provision of emergency cash payment.

13. ADDITIONAL SERVICES AND BONUS SCHEMES ASSOCIATED WITH CARDS

13.1 An AS may either form an integral part of the benefits associated with the use of particular types of Cards (an obligatory AS) or may be arranged by a Client for a Card separately (an optional AS).

13.2 Holder automatically becomes authorized party for each obligatory AS, and these services will be provided to her/him. Holder becomes entitled to the provision of each obligatory AS upon the issue of the Card. Client cannot change or cancel any obligatory AS.

13.3 In the case of an optional AS, Holder becomes authorized party and will be provided with the respective AS only if a Client has arranged this optional AS on the Card. Client may change or cancel an optional AS at any time over the validity period of a Card (see also Article 8.2).

13.4 The Bank may at any time change, suspend, delay provision of, or cancel any AS or all the ASs provided in connection with a Card, particularly if there are technical or technological reasons for doing so. The Bank may also introduce a new optional or obligatory AS for Cards at any time. The Bank may similarly place limitations on a certain type of AS, for example limitations which depend on the particular type of Card.

13.5 If Insurance is arranged in connection with a Card against the misuse of the Card, the loss of documents or keys, or the theft or misuse of a mobile phone (hereinafter "**Card Insurance**"), the following will apply:

- The Insurer will be Česká pojišťovna ZDRAVÍ a.s., Na Pankráci 1720/123, Nusle, 140 00 Praha 4, Czech Republic, Company No. 49240749 (hereinafter "**ČPZ**").
- Card Insurance will be governed by the Special Insurance Conditions for collective insurance of expenses incurred due to the misuse of a payment card, the loss of documents or keys, or the theft or misuse of a mobile phone, Ref. No. 02/2010 (hereinafter the "**SIC-IE-Card**"). Client and Holder hereby represent that they have familiarized themselves with the content of Insurance Policy No.

19100859/2010, concluded by and between the Bank and ČPZ as the insurer in accordance with Section 2767 of the Civil Code, and with the document SIC-IE-Card which forms an integral part of the Insurance Policy, and hereby grant her/his consent to the provision of their personal data specified in the Agreement or the related documents, including the birth registration number, as well as other details, to ČPZ for processing to the extent necessary for performance under any Insurance Policy and for the investigation of claims under any Insurance Policy.

- Card Insurance will become effective at 12.00 a.m. on the day following the date on which the Card is activated. In cases where Card Insurance is arranged at a later date, subsequent to Card activation, Card Insurance will become effective at 12.00 a.m. on the day following the date on which Card Insurance is arranged.

13.6 If Travel Insurance is arranged in connection with a Card, the following will apply:

- The Insurer will be Česká pojišťovna a.s., with its registered office at Spálená 75/16, 113 04 Praha 1, Czech Republic, Company No. 452 729 56 (hereinafter "**ČP**").
- Travel Insurance will be governed by the General Insurance Terms and Conditions for Travel Insurance, GICTI 07 (hereinafter "**GICTI 07**"), and by the Policy Terms and Conditions for Quality Insurance and TOP Insurance (hereinafter the "**Policy Terms and Conditions**"). Client and Holder hereby represent that prior to arranging travel insurance they received a copy of the applicable versions of GICTI 07 and the Policy Terms and Conditions, and that they grant their consent to the provision of their personal data to ČP for processing to the extent necessary for performance under any Insurance Policy.
- When taking receipt of a Card, Holder will also receive a Travel Insurance Information Card and Instructions for Insured Parties in the Case of Insured Events.
- Insurance becomes effective on the date of Card activation, and is arranged for the entire period of Card validity. In cases where Travel Insurance is arranged at a later date, subsequent to Card activation, Travel Insurance will become effective at 12.00 a.m. on the day following the date on which Travel Insurance is arranged.
- In the case of Travel Insurance, an Insurance Policy within the meaning of GICTI 07 is arranged as part of the Agreement. The validity period of this Insurance Policy is the same as the period of insurance specified in the preceding paragraph.
- Both the Insurer and the Policyholder (the Client) may withdraw from a Travel Insurance Policy under the conditions set out in GICTI 07.

- Withdrawal from a Travel Insurance Policy is dealt with between the Client and the Bank.

13.7 The Bank also offers participation in bonus schemes provided by the Card Association, the Cards of which the Bank issues.

13.8 The Bank has the right to renegotiate, change, suspend, provide with a delay or cancel participation in any of the bonus schemes. The current range of bonus schemes on offer is available on the Bank's Website.

14. TERMINATION AND CANCELLATION OF THE RIGHT TO USE A CARD

14.1 The Card, or, as applicable, the Agreement, terminates in the cases specified in the GBC and also upon the termination of automatic Card renewal; upon the loss, theft or misuse of a Card; upon the cancellation of a Card; upon the destruction or the return of a valid Card to the Bank, unless a new Card is to be issued; and on the day

on which the Client's last Payment Account on which the Card had been issued is closed.

14.2 Client may cancel a Card at any time either in accordance with Chapter 11 or by returning the relevant Card to the Bank. Cancellation of a Card does not release the Client from liability for the Payment Transactions performed with the Card up to the time of the cancellation of the Card.

14.3 Unless the Conditions stipulate otherwise, the Bank will cancel a Card on the date that the respective Agreement is discharged or, in cases where notice of termination of or withdrawal from an Agreement is served by the Bank, usually as of the time that the Bank sends this notice of termination of or withdrawal from the Agreement.

15. FINAL PROVISIONS

15.1 These Conditions come into force on January 1, 2017 and effect on March 1, 2017, as of which date the existing Business Conditions of PPF banka a.s. for Payment Cards effective from July 1, 2015 shall expire.